

CITY OF SANTA CLARA, CALIFORNIA

**ANNUAL PLAN
FOR
PROGRAM YEAR 2007
OF THE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROGRAM
AND THE
HOME INVESTMENT PARTNERSHIPS ACT (HOME)
PROGRAM**

**Prepared by the Housing and Community Services Division,
Department of Planning and Inspection**

City Submittal Date: May 10, 2007

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Appendix A: Summary of federally funded activities for PY 2007.

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16. FEDERAL PROJECT SUMMARIES (For PY 2007 Funding/Proposed Goals, See Program Year 3)

| | | |
|--|--------------------------|------------------|
| Federal Programs Administration | (2007 Funding \$282,386) | IDIS Project #01 |
| Neighborhood Conservation & Improvement Program | (2007 Funding \$440,100) | IDIS Project #02 |
| Family Counseling and Living with Dying Programs | (2007 Funding \$ 68,639) | IDIS Project #03 |
| Long-Term Care Ombudsman Program | (2007 Funding \$ 8,669) | IDIS Project #04 |
| Senior Nutrition Program | (2007 Funding \$ 31,590) | IDIS Project #05 |
| Operation Brown Bag Program | (2007 Funding \$ 5,866) | IDIS Project #06 |
| Services for Battered Women Program | (2007 Funding \$ 6,697) | IDIS Project #07 |
| Senior Adults Day Care Program | (2007 Funding \$ 4,738) | IDIS Project #08 |
| Senior Transportation Program | (2007 Funding \$ 3,276) | IDIS Project #09 |
| Special Needs Transportation Program | (2007 Funding \$ 54,153) | IDIS Project #10 |
| Food Assistance for Needy Program | (2007 Funding \$ 13,485) | IDIS Project #11 |
| Senior Adults Legal Assistance Program | (2007 Funding \$ 5,717) | IDIS Project #12 |
| Removal of Architectural Barriers | (2007 Funding \$160,000) | IDIS Project #13 |
| Washington Park Renovation | (2007 Funding \$300,000) | IDIS Project #14 |
| Gianera Street Homeowner II | (2007 Funding \$100,000) | IDIS Project #15 |
| Liberty Towers Emergency Call System | (2007 Funding \$ 80,000) | IDIS Project #16 |
| Santa Clara Valley Blind Center Renovation | (2007 Funding \$ 35,000) | IDIS Project #17 |
| Quetzal House Rehabilitation | (2007 Funding \$193,582) | IDIS Project #18 |

17. SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

| | |
|--|------|
| DH-1 Availability/Accessibility of Decent Housing | 1 |
| DH-2 Affordability of Decent Housing | 5 |
| DH-3 Sustainability of Decent Housing | 12 |
| SL-1 Availability/Accessibility of Suitable Living Environment | 13 |
| SL-2 Affordability of Suitable Living Environment. | 20 |
| SL-3 Sustainability of Suitable Living Environment. | None |
| AD-1 Program Administration | 22 |
| EO Economic Opportunity | None |
| NR Neighborhood Revitalization | None |

CERTIFICATIONS 1

PROOF OF PUBLICATION of Availability on Annual Plan for Public Review (3/28/2007)

**CITY OF SANTA CLARA, CALIFORNIA
2007 PROGRAM YEAR ACTION PLAN
FOR THE
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
AND
HOME INVESTMENT PARTNERSHIP ACT PROGRAM**

1. EXECUTIVE SUMMARY

A. Five Year Plan

In 2005, the City created a Consolidated Plan that is a detailed description of the City's five-year strategy. Program Year 2007 will be the third year of that Plan. The objectives, strategies and goals and objectives of that Plan are incorporated in this Annual Plan by this reference. The 2007 Program Year Action Plan details the specific actions to be taken to implement those objectives, strategies and goals.

B. Federal Resources

The City of Santa Clara's One-Year Action Plan for the 2007 Program Year (PY) is a comprehensive approach to addressing the immediate community needs of people who are very low, low and moderate income. The Action Plan is based on a Community Development Block Grant (CDBG) entitlement of \$1,105,023 and a Home Investment Partnerships Act Program (HOME) participation grant of \$613,807, which the City anticipates will be received from the federal Department of Housing and Urban Development (HUD).

Anticipated CDBG program income during the 2007 PY is estimated to total \$150,000, all derived from the City-administered Neighborhood Conservation & Improvement Program (NCIP). These funds are generated by the repayment of interest and principal from loans to homeowners to undertake repairs in previous program years. An amount of \$37,077 in 2007 PY program income will be used for public services. The remainder of anticipated program income (\$112,923) will be used to supplement the Revolving Loan Fund available for the NCIP program.

Estimated HOME program income during the 2007 PY is expected to be \$20,000. That HOME Program income would be derived from repayment of NCIP loans. All HOME Program Income will be used to augment the allocation to the NCIP Program. However, HOME Program Income, regardless of source, is not considered a revolving loan fund, as that term is understood in the CDBG Program.

HUD informed the City in 1999 that the San Jose Metropolitan Statistical Area is one of the high-income areas where the income limits were increased to the actual 80% of median income, adjusted for household size. The City of Santa Clara will continue to use the actual 80% of

median income limits for all of its CDBG and HOME entitlement programs in the 2007 PY. Individual activities may use a lower income eligibility criteria.

C. Other Resources

To complement the use of federal funding resources to meet community development objectives, Santa Clara will use \$133,922 from the Redevelopment Agency Affordable Housing Fund (RDA) to assist non-profit housing service agencies provide special housing-related services to very low, low and moderate income residents. The NCIP Program will receive \$692,823 in RDA funds. The City will also use RDA resources for a variety of affordable housing activities, most of which will benefit low and moderate income households. The City also will use \$52,822 in General Finds to assist a non-profit agency to provide landlord-tenant dispute resolution services.

D. Citizen Participation

The Housing and Community Services Division of the Planning and Inspection Department is the lead agency for overseeing the development of the Consolidated Plan and Annual Action Plan. The current Citizen Participation Plan was last updated on November 9, 1999.

This Annual Plan development process began with a public hearing, held by the City Council on November 14, 2006, to determine community needs relative to very low, low and moderate income persons. In addition, to the public notice and announcements on the City's Website and Cable Channel, written notification of the hearing was made to numerous non-profit service agencies and the local Citizens Advisory Committee for the purpose of gaining greater input for determining the best use of anticipated federal funds for addressing community needs.

Two advertised public hearings were held by Council on February 6 and March 6, 2007, to review proposals and to determine the allocation of CDBG and HOME funds for the 2007 PY. The Annual Plan 30 day public review period occurred March 29 through April 27, 2007. A copy of the draft plan was provided to the other federal entitlement jurisdictions in Santa Clara County and the California Department of Housing and Community Development on March 30, 2007. There was no response to the public notice of the proposed Annual Plan. The Annual Plan was approved by City Council after a public hearing on May 8, 2007.

E. Consultation with Other Jurisdictions

As standard practice, CDBG and HOME program coordinators of entitlement jurisdictions from throughout Santa Clara County meet as the CDBG Coordinators Committee at least quarterly to discuss issues of common interest. Meeting agendas cover such topics as projects receiving multi-jurisdictional funding, performance levels and costs for contracted public services, proposed annual funding plans, HUD program administration requirements, and other topics of mutual concern. These quarterly meetings provided the opportunity for the City to consult with other jurisdictions on its proposed use of federal funds for the 2007 PY. The Housing Authority of Santa Clara County is a regular participant in these meetings.

The City of Santa Clara is also an active participant in the Santa Clara County Fair Housing Task Force, which meets quarterly.

F. Geographic Distribution

A map indicating locations of projects proposed for funding in the 2007 PY and an outline of geographic areas considered to be areas of low income concentration is included as part to this submittal. Funding support for the listed projects is based more on expressed need within the community rather than upon geographical priority.

G. Homeless and Special Needs

The City will fund eleven Public Services, serving near-homeless and other special needs populations, with CDBG funds. The City will fund seven affordable housing service activities related to low-income housing, including both homeless and special needs persons, from the City's Redevelopment Agency. One housing service activity will be funded from the City's General Fund.

H. Homeownership

The City's Neighborhood Conservation & Improvement Program (NCIP) provides assistance to low-income homeowners to undertake needed repairs and rehabilitation to their owner-occupied homes. Assistance is provided in the form of low-interest loans, including deferred payment loans, and grants for certain types of rehabilitation activities. Because of the reduction in available federal funds, the City will use RDA funds to supplement NCIP.

The City supports two first-time homebuyer programs. The City's First-Time Homebuyer Mortgage Assistance Program utilizes RDA funds to make second mortgages up to \$75,000. The program is offered by three lending agencies, Neighborhood Housing Services of Silicon Valley, First Horizon Home Loan Corporation and National City Mortgage Corporation for the Redevelopment Agency. The City has a Below Market Rate Program (BMP) that is authorized by its Housing Element. This program requires developers to set aside ten percent of newly constructed units for housing affordable to moderate income homebuyers. The City restructured its BMP Program in FY 2006-07 to make it more market-based.

I. Public Housing

The City is continuing its successful working relationship with the Housing Authority of the County of Santa Clara to develop housing in the City. The Housing Authority, using RDA funds, has developed seven housing projects in the City, with 340 affordable units over the last decade. No new projects are planned for PY 2007.

J. Fair Housing

The City continues to support both the purpose and goal of fair housing and works to achieve fair housing in administering federal, State and local programs. The City also supports the

development of affordable housing stock that is an important part of a fair housing initiative, given the high cost of local housing.

The City updated its Analysis of Impediments (AI) in March, 2004. That update incorporated Census 2000 data, the Fair Housing Study of 2002, and other local and regional studies of the housing market. It covered the period January, 2004 to June, 2006. An updated action plan, for the period beginning July 1, 2006, was completed in PY 2006; the action plan resulting from the analysis covers through June 30, 2011. The City's AI is available, upon request, from the Housing & Community Services Division.

K. Program Monitoring

The 11 public service agencies and 7 affordable housing service agencies with a proven record of successful program implementation will be in the second year of their three-year agreements. The agreements included City option to renew for PY 2007 and PY 2008. All agencies funded in PY 2006 were renewed in PY 2007. Requirements for renewal for PY 2007 included: satisfactory performance in PY 2006, continuation of services at PY 2006 levels, availability of federal and RDA funds, and City Council approval of second year appropriations following the public participation process as set forth in the City's Citizen's Participation Plan. At least one on-site monitoring will be conducted for all agencies under the three year agreements. Agencies are also required to submit two accomplishment reports per year under the agreements. The three year agreements are expected to save 500 City staff hours and 225 service agency staff hours. For completed housing projects, affordability and performance monitoring for compliance to federal program requirements will continue to be scheduled at least once annually.

Recipients of PY 2007 federal funds are required to have both productivity performance goals and quantifiable project impact goals. Project impact goals reflect the extent to which funded activities yield the desired outcomes in the community or in the lives of persons assisted.

The City undertakes an annual Single Audit according to the requirements of the federal Office of Management and Budget. As standard practice, notification is made to HUD on the availability of the City's annual audit.

L. Community Housing Development Organizations (CHDO)

The City will continue to encourage the development of new Community Housing Development Organizations (CHDO) to involve participation by low-income residents in the development of affordable housing. The City's minimum CHDO 15% Set Aside for PY 2007 is \$92,071. The proposed Gianera II Homeowner Project is being developed by a City-certified CHDO, Silicon Valley Habitat for Humanity. That project is funded at \$100,000. Thus, the City will exceed its required CHDO set-aside.

2. FUNDING RESOURCES

A. Federal Resources

The City of Santa Clara has prepared a one-year action plan based on renewed federal funding of the CDBG and HOME programs for the 2007 PY. The City's CDBG and HOME entitlement grants will be slightly smaller than that received in PY 2006. The City's PY 2007 CDBG entitlement amount is \$1,105,023, a decrease of slightly more than .01%. The City's PY 2007 HOME grant amount is \$618,591, a decrease of slightly less than 1%.

The City will allocate \$221,005 in CDBG funds and \$61,381 in HOME funds for administration of its CDBG and HOME programs. These amounts represent the full 20% of CDBG and 10% of HOME allocations that are allowable under federal law.

The City will allocate \$202,830 for eleven Public Service activities. This amount represents the full 15% of the CDBG allocation allowable under federal law, plus \$37,077 of PY 2006 Program Income. Under federal law, the City may use up to 15% of the 2006 PY Program Income for Public Services. The City has chosen to exercise that option.

Estimated CDBG program income during the PY 2007 is projected to be \$150,000, all derived from the NCIP Revolving Loan Fund. Of that amount, \$37,077 would be allocated to Public Services. The remaining \$112,933 would be retained in the NCIP Revolving Loan Fund. The City is re-allocating \$19,686 in unspent funds from completed CDBG projects. The City is also transferring \$35,000 from the Neighborhood Initiatives (NEI) Project. The NEI was originally funded in PY 1999, with the purpose of improving quality of life for residents in low-income neighborhoods. Since 2001, the NEI has spent about \$3,000 and had an unspent balance of \$132,462 on April 30, 2007. The available CDBG funds for PY 2007 are budgeted to be \$1,309,709.

HOME Program Income during the 2007 PY is estimated to be \$20,000. That HOME Program Income would be derived from repayment of HOME NCIP loans. All HOME Program Income will be used to augment the allocation to the NCIP Program. However, HOME Program Income, regardless of source, is not considered a revolving loan fund, as that term is understood in the CDBG Program. The available HOME funds are budgeted to be \$633,807.

The HOME requirement of a 15% set-aside (\$92,071) for a qualified CHDO, will be achieved by the Gianera II Homeowner Project, funded at \$100,000 in HOME funds. The project is being developed by Silicon Valley Habitat for Humanity, already a city-certified CHDO. Thus, the City will exceed its minimum CHDO set-aside.

The City's HOME Program Local Match Liability for PY 2007 is estimated to be \$138,107. The City anticipates \$150,000 in foregone property taxes from previous HOME projects. Thus, the City will exceed its HOME local match liability.

Appendix A includes a summary of federally funded activities for PY 2007.

B. Other Resources

To complement the use of federal funding resources in meeting local housing and community development objectives, Santa Clara is proposing to appropriate grant funds from the Redevelopment Agency Affordable Housing Fund to subsidize the operations of seven non-profit housing services agencies. The total funding appropriation made by the Redevelopment Agency in PY 2007 will be \$133,922 for affordable housing services. General funds will be appropriated in the amount of \$52,822 for one housing service activity. Those activities are:

Housing Service Agencies Receiving Local, Non-Federal Funding Assistance For Operating Expenses, PY 2007

| | |
|--|----------|
| Project Sentinel, Fair Housing Services | \$17,978 |
| Council on Aging, Case Management | \$ 4,738 |
| Catholic Charities, Shared Housing Project | \$15,981 |
| Silicon Valley Independent Living Center, Supplemental Living Center | \$20,161 |
| Emergency Housing Consortium, Sobrato Family Living Center | \$49,312 |
| Project Sentinel, Mortgage Counseling Services | \$ 3,189 |
| Next Door: Solutions to Domestic Violence | \$22,563 |
| Project Sentinel, Rental Dispute Resolution Services | \$52,822 |

The City will also fund several housing development projects with RDA funds.

3. GEOGRAPHIC DISTRIBUTION

City policy for the use of federal entitlement funds is based on the premise that community needs are disbursed throughout the City rather than concentrated in a few neighborhoods. It is the City's policy to seek the widest possible dispersal of housing for low-income households. Thus, funding support for the listed projects is based more on expressed need within the community rather than upon geographical priority.

The Neighborhood Enhancement Initiative (CDBG funded in program years 1999 and 2000) is the one exception to this approach. That Project is specifically designed to undertake activities to improve existing, low-income neighborhoods. Neighborhoods are surveyed for possible need of enhancement activities that can be supported by CDBG, HOME or local funding assistance. A City Council subcommittee, supported by management staff, has conducted neighborhood surveys with the intention of determining geographical areas in need of special attention for revitalization. Such factors as household income, level of crime, public improvement needs and interest by residents for self-improvement are considered in the survey. Based on these factors, the City then determines geographic areas for focused effort for neighborhood improvement. The City has completed activities in three neighborhoods. In addition, in PY 2005, the Neighborhood Enhancement Project launched the City's Neighbor Assistance Program (NAP). That program identifies extremely low income homeowners, whose properties pose significant health and/or safety hazards, and corrects those hazards.

4. HOMELESS AND SPECIAL NEEDS

In PY 2004, the County of Santa Clara launched a Ten Year Plan to End Chronic Homelessness. That plan uses a “Housing First” model to address the desired outcome of ending chronic homelessness. That model seeks to create stable housing for homeless persons and then provide focused support services. The model also includes “closing the backdoor” to homelessness by addressing institutions such as foster care, the criminal justice system and health system that often “release” extremely low income persons into the community with no plan or resources for housing. Such actions provide a continuing source of at-risk homeless persons.

In its Ten Year Plan, the County included an action step to use Proposition 63 funds to accomplish the goal of ending chronic homelessness. Approved by state voters in November, 2004, Proposition 63 established new tax revenues to be used to expand county mental health services to persons with severe mental illness. In December, 2005, the County announced its Community Services and Supports Plan, the first step in applying for up to \$37.9 million in Prop 63 funds for PY 2006, PY 2007, and PY 2008. Since many homeless persons suffer from severe mental illness, the additional funds will help to both close the back door to homelessness and provide support services for those homeless persons being assisted with housing.

A census and survey of homeless persons in Santa Clara County was taken in January, 2007. As of the date of this Annual Plan, the results are not available. They will be reported in the City’s next Consolidated Annual Performance and Evaluation Report (CAPER) to be available for public review at the end of August, 2007.

In its PY 2006 Annual Plan, the Housing Authority of Santa Clara County set aside 100 Section 8 vouchers (out of an estimated 1,200 vouchers that will become available) for chronic homeless persons and families. Applicants for the Section 8 waiting list in April, 2006 were asked to make a self-determination if they met the federal definition of chronic homeless. A total of 9,059 applicants so identified themselves; 366 of those applicants resided in the City of Santa Clara. The Housing Authority has not verified whether those persons do meet the chronic homeless definition. The expectation is that those numbers significantly overstate the number of chronic homeless. The December, 2004 homeless census counted less than 8,000 total homeless persons in the County.

The City is moving forward with an innovative project, proposed by the Bill Wilson Center, called The Commons Housing Acquisition and Rehabilitation, to address the problem of foster care and other at-risk youths being released into the community with little or no supporting resources or preparation for living independently. The Bill Wilson Center is in the process of purchasing a 28-unit apartment, located at 3661 Peacock Court in Santa Clara, in April, 2007. The project would house 25-35 youths aging out of foster care and 4-6 low income staff of the Bill Wilson Center. Staff would live in the same community with the youths, acting as mentor/role models for the young residents. A key outcome of this symbiotic 24/7 relationship will be to facilitate connections of the youthful residents to their community and real-life options.

For PY 2007, the City has allocated \$13,485 in Public Service funds for the Food Assistance for Needy Persons Program, administered by St. Justin Community Ministry. That program provides monthly bags of groceries to low income families, most of whom have a household income less than

30% of the County's Area Median Income (defined by HUD as Extremely Low Income). It also provides lunches three days a week to homeless persons. In addition, as items are available, the program provides clothing, household items, hygiene kits, diapers and other infant items, bus passes, sleeping bags, blankets, and health aid items. The latter program is an example of a faith-based organization providing an important social service as described in CFR 24 Part 570.

Several affordable housing service activities funded by the RDA will provide assistance to the homeless and near homeless. They are: Shared Housing Project, Sobrato Family Living Center, Mortgage Counseling Services and Homesafe Case Management.

For PY 2007, the Public Service Agencies funded with CDBG are expected to assist more than 4,000 low income persons, 80% of whom will be Extremely Low Income. All of these programs focus on one or more special needs populations identified in the City's Consolidated Plan: seniors, persons with disabilities, female-headed households, survivors of domestic violence and extremely low income households.

The Santa Clara Unified School District (SCUSD) Adult Education Program receives a yearly HUD grant of \$200,534 for its Career Advantage and Retraining Program (CARP), which has served homeless persons, who reside in homeless housing facilities, with job placement and training since 1996. Funding has been renewed for the year 2007-2008. The program serves about 700 persons, the majority of whom are City residents. Of those persons, an estimated 100 persons are expected to be chronically homeless. The SCUSD participates in the HMIS (Homeless Management Information System), as required by HUD. CARP staff members served on the County Task Force that developed the ten-year plan to end chronic homelessness. Staff members serve on, and are part of the steering committee, of the Santa Clara County Collaborative on Affordable Housing and Homeless Issues, they also are serving on several committees to help end homelessness in Santa Clara County.

United Way Silicon Valley, in collaboration with nine non-profit agencies and six police departments, including the City of Santa Clara, has developed an Emergency Assistance Network (EAN). Each year, United Way grants designated funds to these agencies for the provision of emergency assistance. Each of these agencies provides a variety of emergency assistance to prevent homelessness and hunger. The City of Santa Clara is served by Friends Outside in Santa Clara County, which provides a safety net for individuals and families facing eviction, utility disconnections and hunger.

The City of Santa Clara will be working with the State and County agencies to create a collaborative strategy for the housing and placement of persons discharged into the community with little or no resources for housing. The goal of that activity will be to create a countywide, comprehensive Discharge Coordination Policy. That policy covers four major areas: (1) foster care; (2) health care; (3) mental health care; and (4) corrections (jails). Most of these areas are Santa Clara County responsibilities. Appendix B summarizes the countywide Continuum of Care Discharge Planning Policy. A newly formed countywide Blue Ribbon Commission "To End Chronic Homelessness in 10 Years and to Solve the Affordable Housing Crisis in 20 Years" will provide a leadership role in developing solutions to both those issues.

The City of Santa Clara consults with the City of San Jose in the use of Housing Opportunities for Persons With AIDS (HOPWA) funds in meeting the service objectives of the Santa Clara HIV/AIDS Care Consortium. San Jose works with the Santa Clara County HIV Planning Council, the Santa Clara County Office of Affordable Housing, County of San Benito Health and Human Service Agency, the Health Trust's Housing for Health Board, and other applicable agencies to research innovative service strategies and determine the appropriate allocation of funding to meet the housing and support service needs of individuals and families living with HIV/AIDS. According to the HOPWA Coordinator for San Jose, the total of PY 2007 HOPWA funds for all of Santa Clara and San Benito Counties is \$739,000. The plan for next year's use of HOPWA funds will be for:

- City of San Jose program administration: \$24,000;
- Health Connections will receive \$690,000 for in-home support services and administer the Shared Housing Assistance Placement and Support Services and Special Project of National Significance (HOPWA SPNS) programs for persons living with HIV/AIDS..
- San Benito County will receive \$25,000 to provide support approximately 15 individuals and families living with HIV/AIDS.

In partnership with Health Connections, the City of San Jose anticipates continuing administration of the Shared Housing Assistance Placement and Support Services Program (SHAPSS). FY 2007-08 will be the first of year of this three-year (FY 2007- FY2011) program will provide affordable housing opportunities and supportive services to VLI and LI Santa Clara County residents disabled by HIV/AIDS. The funds will be allocated in three equal amounts for each program year.

5. HOMEOWNERSHIP

The Neighborhood Conservation & Improvement Program is administered by the Housing & Community Services Division of the City's Planning & Inspection Department. The program addresses building/housing code deficiencies, abatement of hazardous conditions, repair/rehabilitation of deteriorated conditions, and accessibility for persons with disabilities, all to improve the habitability, use and occupancy of owner-occupied housing. Financial assistance is provided in the form of a loan, grant or combination of the two, depending on the nature and scope of needed repairs. Terms are flexible and below market, depending on the homeowner's household income. City staff conducts a housing inspection to determine repair needs, prepares work specifications, solicits construction contractors and performs construction and progress inspections. Since 1976, the NCIP Program has assisted more than 1,200 homeowners. For PY 2007, the City has budgeted \$84,369 in CDBG, \$222,808 in HOME, and \$692,823 in RDA funds for NCIP. CDBG Program Income of \$112,923 and HOME Program Income of \$20,000 will augment the Program. Unspent PY 2006 NCIP funds of \$400,000 are also projected to be available.

A Memorandum of Understanding approved by the City Council and RDA Board on November 14, 2006, directed that all RDA funds appropriated for the NCIP Program "will be committed permanently" to the City's NCIP Affordable Housing Rehabilitation Fund (AHRF). Any program income accruing from the expenditure of RDA funds for NCIP activities would also be deposited in the AHRF. That program income will not be subject to federal restrictions or requirements. It will primarily be used for the NCIP Program, but may be used for other activities that benefit low and moderate income persons as long as those activities address one or more of the housing and community goals set forth in the City's Consolidated Plan for Program Years 2005-06 through 2009-2010.

In PY 2005 and 2006, the City appropriated \$1,256,515, including \$476,515 in HOME funds, to Silicon Valley Habitat for Humanity for the acquisition and site preparation of a vacant property at 2255 Gianera Street. Acquisition was completed in September, 2005. The project groundbreaking will take place on May 19, 2007 and construction is scheduled to be completed in PY 2007. The project will construct six new units for homeownership by very low income households (income under 50% of County median, adjusted for household size). Two of the units will be accessible to families with one or more persons with disabilities, in compliance with Section 504 of Rehabilitation Act of 1973. For PY 2007, the City appropriated an additional \$100,000 to reduce the purchase price for the two families occupying the accessible units, as their household income will be around 30% of the County median.

The City supports two first-time homebuyer programs. The City's First-Time Homebuyer Mortgage Assistance Program utilizes RDA funds to make second mortgages up to \$75,000. The program is offered by three lending agencies, Neighborhood Housing Services of Silicon Valley, First Horizon Home Loan Corporation and National City Mortgage Corporation for the Redevelopment Agency.

The City has a Below Market Rate Program (BMP) that is authorized by its Housing Element. This program requires developers to set aside ten percent of newly constructed units for housing affordable to moderate income homebuyers. The City's BMP Program is administered by Neighborhood Housing Services of Silicon Valley.

The City substantially restructured its BMP Program in FY 2006-07. The new program was approved by City Council on January 9, 2007. The revised program is a market-based approach that enables first time homebuyers to participate in the housing market after five years of residence and full appreciation as market-rate owners after twenty years of residency in the BMP Unit. Because it is a hybrid, with both resale restrictions (the first five years) and recapture restrictions (after five years), the program is not eligible for federal HOME funds. The program has been well received by developers and has been approved for use with California Housing Finance Agency (Cal HFA) homeowner loans. See Appendix C for a more detailed description.

The new BMP Program also creates a new source of revenue to augment future housing and community objectives. After five years, the BMP unit can convert from a restricted sales price to a market price. If a BMP unit is sold after that period, the City recaptures the value of the affordable purchase price. Proceeds from that recapture are deposited in the City's Affordable Housing Fund (AHF). Use of funds in the AHF will not be subject to federal or state restrictions or requirements. They will be used for activities that benefit low and moderate income persons and address one or more of the housing and community goals set forth in the City's Consolidated Plan, its Housing Element and the Redevelopment Agency's Implementation Plan.

6. ANTI-POVERTY STRATEGY

The City's Section 3 Affirmative Action Plan was last updated in March, 1989. The purpose of the plan is to assure that new jobs created by the use of federal entitlement funds provides opportunity for the recruitment, training and employment of low income persons residing in the City of Santa Clara. To this end, the stated purpose of the plan is to "provide lower income residents within the project area [Santa Clara City] the opportunity for employment and training and for the awarding of contracts to businesses located or owned in substantial part by persons residing in the project area." This action plan is required of all contracts for non-exempt projects funded by HUD.

The City of Santa Clara is a participating member of the North County Consortium of Neighborhood Self Sufficiency Centers whose mission is to support the long-term sustainability and self-sufficiency of CalWorks families. The consortium is made up of over 30 businesses, agencies and schools that have a record of successful work with CalWorks clients. This consortium has created four self-sufficiency centers in northern Santa Clara County, all located in high-poverty areas. In Santa Clara, one center is located at the Scott Lane Elementary School and another at Kathryn Hughes Elementary School. In addition to these sites, the Career Center on the Santa Clara Adult Education Campus provides direct employment placement and other career-related services. Participants in the program are provided a comprehensive assessment of individual and family needs. Employment services, job skills training, job retention assistance, basic education, childcare, housing assistance and other appropriate support services are all coordinated by the Site Coordinator and tracked using the state mandated reporting system. The goal is to serve 100 clients each year at the four sites, with a placement rate of 65%, job retention rate of 70% and a 10% increase in average weekly wage within six months.

Approximately 700 City households were participating in the CalWORKS Program in October, 2006. The SCUSD Adult Education Center has a CalWORKs Site Representative who acts as a liaison for participating CalWORKs students and Santa Clara County Social Services Agency. Some of these responsibilities include ensuring that all participants on campus are remaining in compliance with federal regulations, developing a 'welfare to work' plan, reporting monthly attendance to the County for each participant, and reporting progress reports on a quarterly basis for each participant CalWORKs student to the County. On occasion, it is required that the Site Representative meet in person with a participant and their social services worker to discuss progress. Monthly meetings are held for Site Representatives with County Social Services workers in an effort to be sure that the correct services and plans are being developed for participants on campus. Other site representative duties include career and educational counseling, as well as making referrals to appropriate supportive services. In addition to the Site Representative, the Adult Education Center has a Career Advisor for CalWORKs students to help them in job placement, resume development, and interviewing skills.

In 1983, the City of Santa Clara joined with several other cities to create the North Valley Job Training Consortium (NOVA) in response to the federal Job Training Partnership Act, which was replaced by the Workforce Investment Act in 2000. The consortium is a private/public partnership made up of representatives of local government, business and industry, labor, education and training systems, employment services, and community support organizations. Currently, the cities of Santa Clara, Sunnyvale, Milpitas, Mountain View, Cupertino, Palo Alto and Los Altos are participating members. The NOVA Workforce Board was established to guide the agency in its mission to

deliver employment and training services that enhance people's ability to live and work in Silicon Valley. Many of the services and programs provided by NOVA target disadvantaged youth and adult populations, who may have limited education and/or barriers to employment. For FY 2007-08, NOVA's budget is approximately \$9,000,000, most from the federal Workforce Investment Act (WIA). NOVA's allocated WIA funds, which make up about 1/3 of the budget, have declined by 34% over the last two years due to the declining unemployment rate, and a further reduction of 9% is anticipated for FY 2007-08. NOVA is a partner in the CONNECT! Job Seeker Center, a comprehensive resource center open to all job seekers, which offers computer access, a resource library, resume assistance and job search workshops. Over 1,000 City residents will benefit from the various NOVA programs in FY 2007-08.

The Housing Authority continues to seek federal designation as a Moving to Work (MTW) Agency. For the second year in a row, federal appropriations language stated that the Housing Authority of the County of Santa Clara would get priority in making application to the MTW Program in 2006-07. Unfortunately, no new applications were taken during the year. That program will allow the HACSC additional flexibility in implementing the Section 8 Program. For example, Section 8 requires an annual unit inspection and income re-certification of senior citizens. Because their income changes little and the apartments are more likely to be well-cared, inspecting and re-certifying every two years would allow the Housing Authority to deal with the changing economics of the funding. HACSC will continue to investigate any sources of funding to support case management and home ownership.

7. OTHER ACTIONS

In addition to the projects identified to receive federal funding in PY 2007, the City will continue working to accomplish projects funded in the prior years' program. The City will continue several ongoing initiatives to foster decent housing and reduce poverty.

The City undertakes HUD-funded projects in accord with the Lead-Based Paint Regulations published in 2000. These regulations most commonly affect residential structures rehabilitated through NCIP. When identified, the lead paint will be controlled or abated and disposed of properly to eliminate or reduce the hazard of environmental or human contamination. The City has adopted a written plan to implement the regulations in its NCIP Program and other housing rehabilitation activities. The City remains concerned that the full implementation of the new Lead-Based Paint regulations has increased costs to its NCIP housing rehabilitation program as well as efforts to expand and maintain the City's stock of affordable housing through acquisition and/or rehabilitation. The result has been fewer housing units created and maintained with federal funds.

The City will continue its efforts to encourage consortium-building among housing developers, public service providers, and governmental and non-governmental entities. The City has achieved proven results in using federal and RDA funds to leverage private funds.

The Mayor of Santa Clara, Patricia Mahan, will sit on the countywide Blue Ribbon Commission "To End Chronic Homelessness in 10 Years and to Solve the Affordable Housing Crisis in 20 Years." The Commission will provide a leadership role in developing solutions to both those issues.

The City will continue its active participation in the CDBG Coordinators Committee, which increasingly has become a public forum for discussion and active planning of common strategies to address the housing and community needs in Santa Clara County.

The City will continue its active participation in the Santa Clara County Fair Housing Task Force in order to coordinate countywide strategies to address the barriers to equal opportunity in housing.

8. PUBLIC HOUSING

The Housing Authority of the County of Santa Clara (HACSC) is a participating member of the CDBG Coordinators Committee.

The City is continuing its successful working relationship with the HACSC to develop housing in the City. The Housing Authority, using RDA funds, has developed seven housing projects in the City, with 340 affordable units over the last decade. No new projects are planned for PY 2007.

The HACSC is currently using 99.9% of its Section 8 funds. No new funds for additional vouchers are expected. The efficient use of resources leaves the Section 8 program in the County vulnerable to increasing market rents and federal budget reductions. Market rents are starting to inch up. At the same time, Fair Market Rents, on which Section 8 subsidies are based, have continued to decrease. The Housing Authority appealed the latest decrease. Some increase was provided on March 6, 2006, but Fair Market Rents are no longer based on the 50th percentile; instead, they are based on the 40th percentile. That change makes Section 8 certificates/vouchers less competitive in a market where rents are increasing. If Section 8 utilization decreases, future federal Housing Assistance Payments may be reduced.

HUD continues to attempt to change the Section 8 program to what HUD calls the Flexible Voucher Program (FVP). In its PY 2007 Annual Plan, the HACSC described the FVP as “an effort by HUD to block grant funds to Housing Authorities without regard for some of the factors that increase the Housing Assistance Payments such as the tenant income going down, the fair market rent increasing, utility allowances changing, and tenants requiring larger units.” HACSC expects some modification to the Section 8 Program, but does not expect that all aspects of the FVP will be implemented next year.

In January, 2007, 842 Section 8 certificates/vouchers were under contract within the City. One out of three Section 8 holders were persons with disabilities; 37% were seniors. Over 86% of voucher holders were Extremely Low Income (household income less than 30% of Area Median, based on family size). As a result of its one week opening of the Section 8 waiting list in April, 2006, the Housing Authority received over 59,000 applications for vouchers. In January, 2007, that list included 2,672 City residents.

Public Housing funding by the federal government has been decreasing over the last several years. In response, the Housing Authority has developed an asset based model to convert its public housing units to project-based rental assistance. This would free up more funds for capital improvements and provide enhanced services for the clients. No one will be displaced by the action. Meetings have been held with the tenants and they approve of the idea. The Housing Authority is applying for vouchers for this program through a special voucher fund. Thus it will not impact the number of available tenant-based Section 8 vouchers available in the County.

9. MONITORING STANDARDS AND PROCEDURES

In preparing its PY 2005 CAPER, submitted in September, 2006, the City updated its five-year objectives to comply with the March 7, 2006, HUD “Notice of Outcome Performance Measurement System for Community Planning and Development Formula Grant Programs” (FR-4970-N-02). That notice required that any Consolidated Plan/Annual Plan and CAPER submitted on or after October 1, 2006 must incorporate the new performance measurement system. The City has prepared this Annual Plan to comply with the new HUD performance measurement requirements.

All public service agencies and affordable housing service agencies funded in PY 2006 will be renewed, under three-year agreements, for their second year in PY 2007. Under the agreements, the City has the final determination of whether to fund agencies eligible for renewal and the amounts to be appropriated. Before renewing these agreements, the City reviewed the performance of each agency. All agencies to be funded in PY 2007 will continue to provide services at PY 2006 levels.

For completed housing projects, affordability and performance monitoring for compliance to federal program requirements will continue to be scheduled at least once annually. Housing Quality Inspections are completed as required by federal regulations. The City has invested in several HOME housing projects, both within the City and in adjacent cities, which have involved joint funding by other participating jurisdictions (PJ) in the County. A coordinated system of monitoring has been developed and will continue to be implemented to assure comprehensive monitoring without duplicative review by each of the PJ’s. The jurisdiction in which the project is located takes the lead role in monitoring compliance and preparing a written report. The other jurisdictions may then choose to follow-up on particular issues.

The City requires that all rental housing projects with 5 or more HOME Units are required to develop a written affirmative marketing plan. Each project’s annual report includes a section identifying, by race/ethnicity, all applicants, rejected applicants, and accepted tenants. That report, as well as an annual summary of the race/ethnicity of tenants, provides the basis for the City’s evaluation of the effectiveness of each project’s affirmative marketing plan.

The City will require outcome goals in all PY 2007 agreements. Project impact outcome goals reflect the extent to which funded activities yield the desired outcomes in the community or in the lives of persons assisted. The Consolidated Plan specifies the types of outcomes that will be required for activities undertaken under that plan. Each activity using federal funds is required to meet a specific set of productivity standards, the composite of which is designed to meet the City’s overall five year goals. The City’s will continue to include productivity performance measurements in all its agreements involving CDBG and/or HOME funds

The City undertakes an annual Single Audit according to the requirements of the federal Office of Management and Budget. As standard practice, notification is made to HUD on the availability of the City’s annual audit.

10. FAIR HOUSING

The City supports both the purpose and goal of fair housing through the federal, State and local programs it administers. The City also supports the development of affordable housing stock that is an important part of fair housing in respect to the high cost of housing locally. The City operates all of its housing related programs and activities and public services free of discrimination. In addition, the City includes anti-discrimination and affirmative fair housing requirements in its contracts and agreements.

The City updated its Analysis of Impediments to Fair Housing (AI) in May, 2007. That update incorporated Census 2000 data, the Fair Housing Study of 2002, Home Mortgage Disclosure Act data for 2005, and other local and regional studies of the housing market. The City's AI is available, upon request, from the Housing & Community Services Division.

The City's Fair Housing agency is Project Sentinel, which provides information and referral, and complaint investigation. The City has chosen to fund this activity with RDA funds, in order to use CDBG funds for public service and administrative activities that could not be funded by RDA.

The Action Plan below sets forth a number of initiatives in two forms. First, the basic ongoing strategy. Second, any specific initiatives to be taken in the next year. The actions set forth in the City's Housing Element are part of this Action Plan. The City annually reports its progress in meeting the objectives set forth in the Housing Element. Only those Housing Element items directly related to fair housing are included in the Action Plan. The current Action Plan expires in June, 2011. A new, five year Action Plan was developed in PY 2006. In its PY 2006 Consolidated Annual Performance and Evaluation Report, expected in September, 2007, the City will report steps taken to implement the Action Plan. At the time this plan was submitted to HUD, the City did not anticipate any new strategies for PY 2007.

1. *Participate in the Fair Housing Task Force.*

The Santa Clara County Fair Housing Task Force has three primary tasks: (1) Identify and prioritize key issues; (2) Develop common strategies for addressing issues; and (3) Identify new sources of funding and coordinate them with existing sources.

CITY ACTIONS

- A. Review the Fair Housing Study, prioritize the recommendations, develop a countywide strategy for implementing those with the highest priority, and identify new sources of funds.
Responsibility: Housing & Community Services Division.
Target Date: Ongoing.
- B. Review those issues identified in the AI as needing further research, establish a countywide priority in addressing those questions, develop a strategy for addressing those issues with the highest priority, and identify new sources of funds as required.
Responsibility: Housing & Community Services Division.
Target Date: Ongoing.

2. *Update and Implement the Housing Implementation Programs Identified in the City's Housing Element.*

The City's Year 2000 Housing Element includes policies and programs which implement the City's commitment to better meet the housing needs of senior citizens, low and moderate income families and other population groups with special housing needs. The Element utilizes the best available data.

CITY ACTIONS

- A. Annually report on the progress in meeting the objectives of the City's Housing Implementation Programs.

Responsibility: Planning Division.

Target Date: Annually.

- B. Analyze and determine whether there are constraints to providing housing for persons with disabilities, consistent with the year 2001 Senate Bill 520 (Chesbro). The analysis will concentrate on land use controls, and permit procedures. If any constraints are found in these two or in any other areas, develop a plan to mitigate or remove those constraints.

Responsibility: Planning Division.

Target Date: 2006.

- C. Update the City's Housing Element.

Responsibility: Planning Division.

Target Date: 2008.

3. *Continue to support non-profit organizations whose purpose is further fair housing.*

Project Sentinel is currently the agency with which the City contracts to provide fair housing services, including community education and complaint investigation.

CITY ACTIONS

- A. Continue to investigate complaints of housing discrimination and provide an annual report of the nature and disposition of those complaints.

Responsibility: Housing & Community Services Division.

Target Date: Ongoing.

- B. Increase public awareness in the City of available fair housing services, by requiring the City's fair housing agency to develop an annual marketing strategy and appropriate methods to evaluate the effectiveness of its strategy.

Responsibility: Housing & Community Services Division.

Target Date: Ongoing.

4. *Continue to identify and mitigate housing constraints for persons with disabilities.*
Determine if there are housing constraints for persons with disabilities. Mitigate or remove any identified housing constraints.

CITY ACTIONS

- A. As part of the City's review under 2B above, determine whether there is a need for a "reasonable accommodation ordinance." As appropriate, develop such an ordinance.
Responsibility: Planning Division.
Target Date: 2007.
 - B. Continue and update, as appropriate, the City's ADA Implementation Plan. Identify and reduce physical barriers on public property and street rights-of-way.
Responsibility: Public Works.
Target Date: Annually.
5. *Enhance housing for persons with disabilities by implementing federal and state fair housing and building code requirements related to residential accessibility.*

CITY ACTIONS

- A. Continue to assist residents with disabilities in constructing accessibility modifications in existing housing.
Responsibility: Housing & Community Services Division.
Target Date: Ongoing.
 - B. Continue the initiative of the City and its fair housing provider to address housing discrimination against persons with disabilities and provide an annual summary of results of those efforts.
Responsibility: Housing & Community Services Division.
Target Date: Annually.
6. *Continue to encourage the development of higher occupancy rental housing where feasible.*
The private housing market continues to focus on the creation of smaller rental units. In subsidizing affordable housing projects, the City will give priority to projects with high occupancy units.
 7. *Continue to require, review and update assisted housing projects Affirmative Marketing Plans.*
The City requires that all federally assisted housing projects develop an affirmative marketing plan and annually report racial/ethnic data on applicants, rejections, and tenants.

CITY ACTIONS

- A. Develop an affirmative marketing plan for the RDA-funded Below Market Price Program.
Responsibility: Housing & Community Services Division.
Target Date: 2007.

B. Develop an affirmative marketing plan for the RDA-funded First-Time Homebuyer Program.
Responsibility: Housing & Community Services Division.
Target Date: 2007.

8. *Continue to implement its residential Anti-Displacement and Relocation Assistance Policy.*
The City's policy is to make all efforts to avoid displacement of residents or businesses in any assisted housing projects. When displacement cannot be avoided, federal and state relocation law requirements, as applicable, will be implemented.
9. *The City will continue to support police and community groups in the development of viable policies to deal with local incidents of hate crimes.*
The City's Police Department regularly reviews and, as appropriate, updates its procedures for handling and reporting alleged hate crimes. The Police Department annually reports the number and type of hate crime incidents.

11. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

The City has certified eight non-profit agencies as Community Housing Development Organizations (CHDO), whose purpose is to encourage participation by low-income residents in the development of affordable housing. The City's minimum CHDO 15% Set Aside for PY 2007 is \$92,072. For PY 2007, the City appropriated an additional \$100,000 to the Gianera II Homeowner Project, being developed by a City-certified CHDO, Silicon Valley Habitat for Humanity, to reduce the purchase price for the two families occupying the accessible units, as their household income will be around 30% of the County median. Thus, the City will exceed its required CHDO set-aside for PY 2007.

The City will continue to encourage the development of new Community Housing Development Organizations (CHDO) to involve participation by low-income residents in the development of affordable housing.

12. PROGRAM ADMINISTRATION

The Housing & Community Services Division of the Planning and Inspection Department of the City of Santa Clara is responsible for administering federal programs covered by this Annual Plan and the City's five year Consolidated Plan.

In compliance with federal regulatory provisions, the City has budgeted \$221,005 in CDBG funds and \$61,381 in HOME funds for program administration expenses during PY 2007. These amounts represent the full 20% of CDBG and 10% of HOME allocations that are allowable under federal law. The City also uses local funds to assist the administration of the federal entitlement and RDA affordable housing programs.

In July, 2001, the Housing & Community Services Division was assigned the responsibility for administering the Redevelopment Agency of the City of Santa Clara's affordable housing set-aside. The combination of that source under the same administration with the federal entitlement programs has improved the City's development of a comprehensive housing plan, using the RDA, CDBG and HOME funds more efficiently.

13. MINORITY/WOMEN BUSINESS ENTERPRISE OUTREACH

Consistent with federal requirements, the City of Santa Clara has adopted a Disadvantaged Business Enterprise Program, last updated in November, 1999. The policy of the City is to ensure that minority and women business enterprises have the maximum opportunity to compete for contracts funded wholly or in part with federal funds.

14. RELATIONSHIP OF THE ANNUAL PLAN TO THE FIVE YEAR CONSOLIDATED PLAN

Program Year 2007 will be the third year of the City's five year Consolidated Plan for the period 2005-2010. The table below sets forth the five year goals of that Plan and the one-year goals of the PY 2007 Annual Plan.

Summary of Specific Housing/Community Development Objectives

| Funding Sources | Specific Objective | Performance Measure | Performance Goal | | Section 215 Goals | |
|---------------------------------------|-----------------------------|---------------------|------------------|---------|-------------------|---------|
| | | | 5 Year | PY 2007 | 5 Year | PY 2007 |
| Goal One: OWNERSHIP HOUSING | | | | | | |
| RDA | First Time Homebuyer | Housing Units | 85 | 20 | 12 | 10 |
| RDA | Below Market Price | Housing Units | 120 | 25 | 0 | 15 |
| HOME/RDA | Self-Help Ownership | Housing Units | 6 | 6 | 6 | 6 |
| | | | | | | |
| Goal Two: RENTAL HOUSING | | | | | | |
| HOME/RDA | Acquisition | Housing Units | 25 | 0 | 25 | 0 |
| HOME/RDA | New Construction | Housing Units | 245 | 15 | 245 | 15 |
| HOME/RDA | Special Needs | Housing Units | 25 | 28 | 25 | 28 |
| RDA | Shared Housing | Housing Units | 90 | 24 | 90 | 24 |
| | | | | | | |
| Goal Three: HOUSING REHABILITATION | | | | | | |
| HOME/CDBG | Homeowner Rehabilitation | Housing Units | 200 | 75 | 50 | 10 |
| HOME/CDBG | Rental Rehabilitation | Housing Units | 100 | 100 | 100 | 100 |
| | | | | | | |
| Goal Four: HOMELESS HOUSING/SERVICES | | | | | | |
| HOME/CDBG | Rental Housing | Housing Units | 25 | 3 | 25 | 3 |
| RDA | Support Services | Persons | 360/Year | 363 | N.A. | N.A |
| CDBG | At-Risk Households | Persons | 2,000/Year | 2,000 | N.A. | N.A |
| RDA | Emergency Rental Assistance | Households | 5/Year | 5 | N.A. | N.A |
| | | | | | | |
| Goal Five: SERVICES FOR SPECIAL NEEDS | | | | | | |
| CDBG | Public Services | Persons | 2,000/Year | 2,090 | N.A. | N.A |
| RDA | Affordable Housing Services | Persons | 300/Year | 395 | N.A. | N.A |
| | | | | | | |
| Goal Six: FAIR HOUSING ACTIVITIES | | | | | | |
| RDA | Fair Housing Services | Households | 25/Year | 25 | N.A. | N.A |
| | | | | | | |
| Goal Seven: PUBLIC FACILITIES | | | | | | |
| CDBG | Removal of Barriers | Projects | 10 | 1 | N.A. | N.A |
| CDBG | City Owned Facilities | Projects | 2 | 1 | N.A. | N.A |
| CDBG | Neighborhood Enhancement | Projects | 2 | 1 | N.A. | N.A |
| CDBG | Non-Profit Owned Facilities | Projects | 1 | 1 | N.A. | N.A |

Activities are only counted as accomplishments when they are completed. Some of the proposed projects for PY 2007 may not be completed by June 30, 2008.

Section 215 is a section of the Federal Code that defines specific forms of affordable housing. To qualify as Section 215 Affordable Housing, a rental unit must be occupied by a very low, low, or moderate income household with a rent that is the lesser of (1) the existing Section 8 Fair Market Rent for comparable units in the area or, (2) 30% of the adjusted income of a family whose income equals 65% of the median income for the area. Homebuyers qualify as Section 215 Affordable Housing if they are very low, low, or moderate income, first-time homebuyers who make the purchased home their principal residence, and the price of the purchased home does not exceed the mortgage limit for the type of single family housing for the area under HUD's single family insuring authority under the National Housing Act. The current limit for a single-family home is \$736,250. For rehabilitated housing, the unit must be occupied by a very low, low, or moderate income household which uses the house as a principal residence and which has a value, after rehabilitation, that does not exceed the mortgage limit applied to homebuyers above.

Each proposed activity of the 2007 Program Year is listed below in relation to the strategy it intends to address in the adopted 2005-10 Five Year Consolidated Plan. All of the proposed activities are open to all income-eligible City residents and no racial or ethnic group has a disproportionately greater need for any particular service or activity.

Goal One: Provide Housing Opportunities to First-Time Lower and Moderate Income Homebuyers

Program 1A: First-Time Homebuyer Financing Program

Proposed 2007 Activity: CITY OF SANTA CLARA HOUSING & COMMUNITY SERVICES DIVISION: First Time Homebuyer Program (RDA Affordable Housing).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: 20 Housing Units: 10 Section 215 Housing Units.

Program 1B: Below Market Purchase Program

Proposed 2007 Activity: CITY OF SANTA CLARA HOUSING & COMMUNITY SERVICES DIVISION: Below Market Purchase Program (RDA Affordable Housing).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: 25 Housing Units: 15 Section 215 Housing Units.

Program 1C: Self-Help/Sweat Equity Homeowner Construction

Proposed 2007 Activity: SILICON VALLEY HABITAT FOR HUMANITY: Gianera Street Phase II Project (HOME Housing; RDA Affordable Housing).
2255 Gianera Street, Santa Clara, CA.
2007 Goal: 6 Housing Units: 6 Section 215 Housing Units. Project began in PY 2005.

Goal Two: Provide Affordable Rental Housing to Very Low Income Households, Particularly Special Needs Populations

Program 2A: Expand Affordable Rental Housing Through Acquisition/Rehabilitation.

Proposed 2007 Activity: CITY OF SANTA CLARA HOUSING & COMMUNITY SERVICES DIVISION: No proposed activity (HOME Housing; RDA Affordable Housing).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: 0 Housing Units: 0 Section 215 Housing Units.

Program 2B: Expand Affordable Rental Housing Through New Construction.

Proposed 2007 Activity: CITY OF SANTA CLARA HOUSING & COMMUNITY SERVICES DIVISION: Below Market Rent Program (HOME Housing; RDA Affordable Housing).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: 15 Housing Units: 15 Section 215 Housing Units.

Program 2C: Expand Affordable Rental Housing For Special Needs Populations.

Proposed 2007 Activity: BILL WILSON CENTER: The Commons Housing Acquisition (RDA Affordable Housing).
3661 Peacock Court, Santa Clara, CA.
2007 Goal: 28 Housing Units: 28 Section 215 Housing Units.

Program 2D: Expand Affordable Rental Housing Through Shared Housing.

Proposed 2007 Activity: CATHOLIC CHARITIES: Shared Housing (RDA Affordable Housing Service).
Agency offices located at 2625 Zanker Rd., San Jose, CA.
2007 Goal: 24 Housing Units: 24 Section 215 Housing Units.

Goal Three: Preserve and Maintain Existing Housing Stock Occupied by Lower Income Households

Program 3A: Neighborhood Conservation and Improvement Program.

Proposed 2007 Activity: CITY OF SANTA CLARA: Housing & Community Services Division (HOME Housing; CDBG Housing; RDA Affordable Housing).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: 75 Housing Units: 30 Section 215 Housing Units.

Program 3B: Rental Rehabilitation Program.

Proposed 2007 Activity: LIBERTY TOWER: Emergency Call System Upgrade (HOME Housing).
890 Main Street, Santa Clara, CA.
2007 Goal: 100 Housing Units: 100 Section 215 Housing Units.

Goal Four: Provide Housing and Supportive Services to Homeless Individuals and Families

Program 4A: Housing for Chronic Homeless Individuals and Families

Proposed 2007 Activity: CITY OF SANTA CLARA: Public Works Department: The Quetzal House Rehabilitation (CDBG & HOME Housing).
884 Lafayette Street, Santa Clara, CA.
2007 Goal: 3 Housing Units: 3 Section 215 Housing Units.

Program 4B: Support Services

Proposed 2007 Activity: EMERGENCY HOUSING CONSORTIUM: Sobrato Family Living Center (RDA Affordable Housing Service).
1489-1509 Agnew Road, Santa Clara, CA.
2007 Goal: 315 Persons.

Proposed 2007 Activity: NEXT DOOR SOLUTION TO DOMESTIC VIOLENCE: Homesafe Case Management (RDA Affordable Housing Service).
611 El Camino Real, Santa Clara, CA.
2007 Goal: 48 Persons.

Program 4C: Support Entities Providing Basic Necessities to Households At-Risk for Homelessness

Proposed 2007 Activity: ST JUSTIN COMMUNITY MINISTRY: Food Assistance for the Needy (CDBG Public Service).
2655 Homestead Road, Santa Clara, CA.
2007 Goal: 2,000 Persons.

Program 4D: Provide Emergency Rental Assistance to Households in Danger of Eviction for Non-Payment of Rent.

Proposed 2007 Activity: Friends Outside Santa Clara County: Emergency Assistance Network (Private Funds).
551 Stockton Avenue, San Jose, CA (408-295-6033).
2007 Goal: 5 Households.

Goal Five: Support Non-Profit Community Service Organizations That Provide Essential Services to City Residents, Particularly Identified Special Needs Populations

Program 5A: Social Services for Special Needs Populations

Proposed 2007 Activity: BILL WILSON CENTER: Family Therapy/School Outreach Programs (CDBG Public Service).
Agency offices are located at 3490 The Alameda, Santa Clara, CA.
2007 Goal: 360 Persons.

- Proposed 2007 Activity: CATHOLIC CHARITIES: Long-Term Ombudsman Program (CDBG Public Service).
Agency offices are located at 2625 Zanker Rd., San Jose, CA.
2007 Goal: 450 Persons.
- Proposed 2007 Activity: SANTA CLARA COUNTY: Nutrition Site Meals Program (CDBG Public Service).
1303 Fremont St., Santa Clara, CA.
2007 Goal: 120 Persons.
- Proposed 2007 Activity: SECOND HARVEST FOOD BANK, Operation Brown Bag (CDBG Public Service).
Food distribution location at 1313 Franklin Street., Santa Clara, CA.
Agency offices are located at 750 Curtner Avenue, San Jose, CA.
2007 Goal: 250 Persons.
- Proposed 2007 Activity: SUPPORT NETWORK FOR BATTERED WOMEN (CDBG Public Service).
Agency offices are located at 1975 West El Camino Real, Suite 205, Mountain View, CA.
2007 Goal: 50 Persons.
- Proposed 2007 Activity: SENIOR ADULTS LEGAL ASSISTANCE: Legal Services for Elders (CDBG Public Service).
Services provided at 1303 Fremont Street, Santa Clara, CA. Agency Offices are located at 160 East Virginia Street, Suite 260, San Jose, CA.
2007 Goal: 80 Persons.
- Proposed 2007 Activity: LIVE OAK ADULT DAY SERVICES: Senior Adult Day Care (CDBG Public Service).
Closest facility is located at 1147 Minnesota Avenue, San Jose, CA.
2007 Goal: 10 Persons.
- Proposed 2007 Activity: OUTREACH & ESCORT: Special Needs Transportation (CDBG Public Service).
Agency office located at 926 Rock Avenue, Suite 10, San Jose, CA.
2007 Goal: 700 Persons.
- Proposed 2007 Activity: HEART OF THE VALLEY: Senior Transportation (CDBG Public Service).
Agency office located at 1550 El Camino Real, Santa Clara, CA.
2007 Goal: 50 Persons.
- Proposed 2007 Activity: BILL WILSON CENTER: Centre for Living with Dying (CDBG Public Service).
Agency offices are located at 554 Mansion Park Drive, Santa Clara, CA.
2007 Goal: 20 Persons.

Program 5B: Housing Services for Special Needs Populations

- Proposed 2007 Activity: PROJECT SENTINEL, Rental Dispute Resolution Services (General Fund Housing Service).
Agency offices are located at 1055 Sunnyvale-Saratoga Rd., Suite 3, Sunnyvale, CA.
2007 Goal: 290 Households.

- Proposed 2007 Activity: SILICON VALLEY INDEPENDENT LIVING CENTER: Supplemental Living Center (RDA Affordable Housing Service).
1597 Market Street, Santa Clara, CA. Agency offices are located at 2306 Zanker Road, San Jose, CA.
2007 Goal: 20 Persons.
- Proposed 2007 Activity: PROJECT SENTINEL: Mortgage Counseling Services (RDA Affordable Housing Service).
Agency offices are located at 1055 Sunnyvale-Saratoga Rd., Suite 3, Sunnyvale, CA.
2007 Goal: 25 Persons.
- Proposed 2007 Activity: COUNCIL ON AGING: Case Management (RDA Affordable Housing Service).
Agency offices located at 2115 The Alameda, Santa Clara, CA.
2007 Goal: 60 Persons.

Goal Six: Provide Services and Promotional Support to Persons Experiencing Discrimination in Housing

Program 6A: Investigate Allegations of Discrimination in Housing

- Proposed 2007 Activity: PROJECT SENTINEL, Fair Housing Services (RDA Affordable Housing Service).
Agency offices located at 1055 Sunnyvale-Saratoga Rd., Suite 3, Sunnyvale, CA.
2007 Goal: 25 Households.

Program 6B: Reduce Local Incidents of Hate Crimes

- Proposed 2007 Activity: CITY OF SANTA CLARA, Police Department
601 El Camino Real, Santa Clara, CA.
2007 Goal: 1 Reportable Incident or less.

Program 6C: Update Analysis of Impediments to Fair Housing and Action Plan

- Proposed 2007 Activity: CITY OF SANTA CLARA HOUSING & COMMUNITY SERVICES DIVISION: Affirmatively Further Fair Housing (HOME/CDBG Administration).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: Implement Action Plan for 2006-2011. Report PY 2006 Action Plan progress.

Program 6D: Affirmative Marketing of Housing Programs and Projects

- Proposed 2007 Activity: CITY OF SANTA CLARA HOUSING & COMMUNITY SERVICES DIVISION: Affirmatively Further Fair Housing (HOME Administration).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: Review 15 HOME Projects.

Goal Seven: Provide the Public Facilities Necessary to Assure the Health, Safety and Welfare for all Residents of the Community

Program 7A: Remove Architectural Barriers from City Facilities, and City Sidewalks.

Proposed 2007 Activity: CITY OF SANTA CLARA PUBLIC WORKS DEPARTMENT: Removal of Barriers to the Physically Handicapped (CDBG Public Facility, Accessibility).
Offices located at 1500 Warburton Avenue, Santa Clara, CA.
2007 Goal: 1 Project (30 curb cuts).

Program 7B: Improve and Upgrade City Facilities in Lower Income Neighborhoods.

Proposed 2007 Activity: CITY OF SANTA CLARA PARKS & RECREATION DEPARTMENT: Washington Park Renovation (CDBG Public Facility).
1111 Bellomy Street, Santa Clara, CA.
2007 Goal: 1 Project.

Program 7C: Enhancement of Deteriorated Lower Income Neighborhoods.

Proposed 2007 Activity: CITY OF SANTA CLARA HOUSING & COMMUNITY SERVICES DIVISION: Neighbor Assistance Program.
Citywide
2007 Goal: 1 Housing Unit.

Program 7D: Improve and Upgrade Privately Owned Facilities Providing Services and Benefits to Lower Income Residents.

Proposed 2007 Activity: SANTA CLARA VALLEY BLIND CENTER: Roof Replacement.
101 North Bascom Avenue, San Jose, CA.
2007 Goal: 1 Project.

Goal Eight: Provide Planning, Development and Monitoring Administration Necessary to Carry out the Five Year Plan Objectives and Comply with Federal and Redevelopment Law Requirements

Program 8A: Provide Stable Source of Funds for Administration.

Proposed 2007 Activity: CITY OF SANTA CLARA: Housing & Community Services Division (HOME/CDBG Administration).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: Ongoing.

Program 8B: Establish Stable Funding Base to Assure Compliance with Long Term Monitoring Requirements of CDBG, HOME and RDA.

Proposed 2007 Activity: CITY OF SANTA CLARA: Housing & Community Services Division (Administration).
Division offices located at 1500 Civic Center Drive, Santa Clara, CA.
2007 Goal: Ongoing.

Program 8C: Support Countywide Efforts of Entitlement Jurisdictions in Santa Clara County to Identify Common County Housing & Community Development Needs and Develop Common Strategies to Address Them

Proposed 2007 Activity: CITY OF SANTA CLARA: Housing & Community Services Division
(HOME/CDBG Administration).

Division offices located at 1500 Civic Center Drive, Santa Clara, CA.

2007 Goal: Ongoing.

CITY MAP
THAT INDICATES
LOCATION OF PROJECTS
AND LOW-INCOME NEIGHBORHOODS

APPENDICES

FEDERAL PROJECT SUMMARIES

SUMMARY OF SPECIFIC ANNUAL OBJECTIVES

CERTIFICATIONS